

1111 20th Street, N.W. Washington, D.C. 20036 (202) 653-5175 COMMISSIONERS: Thomas C. Brennan Douglas E. Coulter Mary Lou Burg Clarence L. James, Jr. Frances Garcia

In the Matter of Compulsory License for Making and Distributing Phonorecords; Royalty Adjustment Proceeding

The Copyright Royalty Tribunal (Tribunal) on March 25, 1980 heard oral argument on a motion of the Recording Industry Association of America, Inc. They requested the Tribunal to issue an order declaring that any adjustment of the royalty rate established in 17 USC 115 ("mechanical royalty") to provide for the fixing of the royalty rate as a percentage of the price of the phonorecord is beyond the jurisdiction of the Tribunal. The Tribunal has not found the arguments in support of the motion to be persuasive and the motion is therefore denied. The Tribunal will receive and consider evidence on proposed "mechanical royalty" percentage formulas.

When the Tribunal adopts its final determination in this proceeding, the Tribunal in accordance with 17 USC 803(b) will publish a detailed statement of the specific reasons for its action on the motion.

March 27, 1980